

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6719**

**BILL NUMBER:** HB 1277

**NOTE PREPARED:** Mar 4, 2004

**BILL AMENDED:** Feb 23, 2004

**SUBJECT:** Wetlands.

**FIRST AUTHOR:** Rep. Bottorff

**FIRST SPONSOR:** Sen. Gard

**BILL STATUS:** Enrolled

**FUNDS AFFECTED:** X GENERAL  
DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** This bill does the following for purposes of the law concerning wetlands and certain other environmental management laws: (1) It amends the definitions of "Class I wetland," "Class III wetland," "exempt isolated wetland," and "waters." (2) It adds the definition of "dredged material." (3) It repeals the definition of "ponds." (4) It provides that the classification of certain isolated wetlands may be improved to a higher numeric class if certain actions are taken. (5) It provides that certain wetland activities shall be authorized by a general permit rule. (6) It provides that the Department of Environmental Management (IDEM) has authority over wetland activities in isolated wetlands that are subject to NPDES permits, decrees, or orders that became effective before January 1, 2004. (7) It delays the dates that certain reports are due and certain rules must be adopted. (8) It requires a wetlands activity permit applicant to show that the activity is without reasonable alternative. (9) It also allows IDEM to require an amended wetlands activity permit application if the initial application is deficient.

**Effective Date:** Upon Passage.

**Explanation of State Expenditures:** IC 13-18-22 directs the Water Pollution Control Board to establish a permit by rule. Rules on wetlands were preliminarily adopted by the Board, but the rulemaking directives in IC 13-18-22 depart from the preliminarily adopted rule.

This bill extends the time by which the Board must adopt certain rules. By February 1, 2005, the Board must adopt rules for the implementation of part of the Class I wetland definition and for the general permits. By June 1, 2005, the Board must adopt a rule for issuing the Class III wetland permits. IDEM would incur additional staff costs associated with rulemaking development activities for the rulemaking directives in the bill. These staff costs are indeterminate at this point but are not expected to be significant.

The bill also extends the time by which IDEM must make a permit application form and a Class I wetland notice of registration form available to the public.

The bill extends the time for Environmental Quality Service Council (EQSC) to submit certain reports. It must monitor implementation, make recommendations, review the role of IDEM in certain permit programs, and evaluate the tensions between existing programs for wetlands protection and for local drainage. EQSC must submit a final report to the Governor and Legislative Services Agency on these topics before November 1, 2004. EQSC must also conduct an ongoing evaluation of the permit program's implementation for state regulated wetlands and recommend any adjustments to the program. A report by EQSC on these topics is due on November 1, 2006.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of Environmental Management; Environmental Quality Service Council.

**Local Agencies Affected:**

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